Electronic Filing for Small Business Tax Professionals

Don't be surprised if you start getting more questions from your customers about e-file this filing season. This month, the IRS is launching a campaign to highlight the benefits of IRS *e-file* for individuals and small businesses. As more customers and tax professionals realize the benefits of e-file, including fast refunds, ease of use and reduced errors, the e-file trend is expected to continue its upswing in 2003.

If you are a tax professional, ask your software developer about adjusting your programs to take advantage of electronic filing. Review a listing of <u>Approved IRS</u> e-file for <u>Business Providers</u> on the <u>IRS</u> website. You will also find.

Requests for IRS *e-file* expected to rise in 2003

With the start of tax season just a few weeks away, most tax professionals are scrambling to prepare their offices, employees, and computer equipment for the busiest period of the year. As they prepare, more and more tax professionals are considering how electronically filing returns can increase efficiencies, cut costs, reduce errors and help clients receive refunds more quickly.

During the 2002 filing season, tax professionals e-filed 33 million returns, an increase of 15 percent over the previous year. That number is expected to rise significantly during the 2003 filing season as a result of the IRS' increased emphasis on e-file. Through a national communications program kicking off in mid-January, the IRS will be conveying the benefits of e-file — fast refunds, ease of use, accuracy and security — to individuals, small businesses and tax professionals.

In addition, the program will encourage individuals and small business owners to ask their tax professionals about e-file. In response, tax professionals should be prepared to answer more client questions about IRS e-file and be ready for an increase in e-file requests.

The IRS is initiating the communications program to help achieve its goal of receiving 80 percent of all tax returns electronically by 2007. In the 2002 filing season, 36 percent of individual income tax returns were electronically filed.